

GOP Tax Scam: A Windfall for Corporations, Leaving American Workers Behind

Just two months after the GOP tax scam was jammed through Congress, companies are already seeing billions of dollars in profits - and sharing them with their wealthy investors - while most middle class Americans aren't seeing any real benefit to them. The wealthiest Americans and corporations are receiving the vast majority of tax relief instead of it going to the middle class. And while Republicans tout companies giving bonuses to their workers, in fact just 2.5% of workers have received bonuses - a one-time bump to their paycheck instead of a wage increase. The [New York Times Editorial Board](#) wrote this weekend: "Republicans chose a plan that rewards the rich at the expense of workers. They had to lie to make this scheme seem legitimate. Now the true effects are coming to fruition."

Here's a look at the true effects of the GOP tax scam:

A survey of [Morgan Stanley](#) analysts showed **43% of benefits from the tax law will go to investors**, while **only 13% would go to workers** in the form of pay raises, bonuses, and employee benefits.

And according to [CNBC](#), corporate buybacks continue to surge and are at a year-to-date record of **\$170.8 billion** compared to **only \$4 billion in bonuses that workers have received**. These buybacks overwhelmingly benefit the wealthiest Americans, as a vast majority – 84% – of stock holdings belong to the top 10% of Americans.

News coverage confirms the wealthy investors – not the middle class – are benefiting from the tax law:

“President Trump promised that his tax cut would encourage companies to invest in factories, workers and wages, setting off a spending spree that would reinvigorate the American economy... **But so far, companies are using much of the money for something with a more narrow benefit: buying their own shares...** The buybacks are also most likely worsen economic inequality because **the benefits of stocks purchases flow disproportionately to the richest Americans.**” [NY Times, [2/26/18](#)]

“The pharmaceutical industry is using a large portion of its windfall from Republicans' corporate tax cuts to boost its stock prices. Nine drug companies are spending a combined \$50 billion on new share buyback programs, a sum that towers over investments in employees or drug research and development... **That money is enriching hedge funds, other Wall Street investors and top drug company executives, but it isn't necessarily helping patients.**” [Axios, [2/22/18](#)]

Polls show working Americans are not seeing the impacts of the tax scam on their paychecks, while wealthy Americans and corporations are receiving immediate pay offs from the law.

A recent poll from [Politico/Morning Consult](#) shows Americans are not seeing a tangible difference in their pay check from the GOP tax scam law:

- Only 25% of respondents say they've seen an increase in their paycheck.
- High-income earners are more likely to have noticed an increase in their paychecks.

A poll from [Reuters](#) shows that **just 2% of U.S. adults said they had gotten a raise, bonus, or additional benefits** from the GOP tax scam.

[Politico](#) also walks through how Republicans' process of jamming the tax scam through Congress has left the law riddled with errors.

“It’s hardly surprising there would be bugs in the sprawling new law H.R. 1 (115), but some experts say the sheer number is unusual, and **blame the breakneck pace at which the legislation was pushed through Congress...** ‘This is not normal,’ said Marty Sullivan, chief economist at the nonpartisan Tax Analysts. ‘There’s always this kind of stuff, but the order of magnitude is entirely different.’”

“Some of the glitches are simple drafting errors. Others would have unintended consequences. Still others are things in the law that aren’t clear.... ‘That is already squeezing some companies’ finances, said Rachelle Bernstein, tax counsel at the National Retail Federation. ‘There are real economic implications right now,’ she said.”

As companies spend their windfall from the tax law to enrich their wealthy shareholders, the GOP tax scam, which was the least popular legislation in modern history when passed, is living up to its name as a scam on the middle class by making their tax cuts temporary while the tax cuts for the wealthy are permanent, and leaving the middle class and future generations with a \$1.5 trillion bill that they’re going to have to pay back.